

Merging Development and Diplomacy: What Might the US Learn?

In 2020, then-UK Prime Minister Boris Johnson claimed that “[o]ne cardinal lesson of the [COVID-19] pandemic is that distinctions between diplomacy and overseas development are artificial and outdated.”¹ The United Kingdom subsequently announced its decision to merge its Department for International Development and the Foreign and Commonwealth Office, proclaiming it “an opportunity for the UK to [harness its] skills, expertise and evidence ... to have even greater impact and influence on the world stage.”² The news of the merger followed similar bureaucratic shifts which have taken place in major donor nations such as Australia, Canada, Denmark, New Zealand and Norway. These changes have solidified a clear trend toward more connected administrative approaches to delivering aid and diplomacy around the world.

Reformers claim that integrating development and diplomacy into connected global affairs mega-bureaucracies will enable more connected and effective policy formation, while also drawing policy development and implementation closer together. Proponents claim that merged approaches can help countries better respond to complex global challenges by centralizing the ways that bureaucrats address issues ranging from climate to counterterrorism, migration and beyond. In Canada, for example, a 2013 announcement of a merger of the Canadian International Development Agency and its Department of Foreign Affairs and International Trade declared that “enhanced alignment of our foreign, development, trade and commercial policies and programs will allow the government to

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have greater policy coherence on priority issues and will result in greater overall impact of our efforts.”³ In practice however, as explored later in this paper, these mergers reflect political dynamics, and often fall short of achieving stated goals.

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While merging aid and diplomacy is trending globally, the trend has not unfolded in the same way, thus far, in the United States. In the US, debates have long persisted about the appropriate avenues for cohering development efforts and foreign policy. National politics has continued to shape the relationships between the core responsible US agencies: the US Agency for International Development (USAID) and the State Department (State). The State Department, which hosts the Office of Foreign Assistance, is mandated to

provide strategic oversight of USAID, while USAID remains an independent federal agency, an arrangement leading to at times inevitable tension between the two agencies. As the agencies have evolved over time, so too have their bureaucratic designs and cultures, at times supporting and at others impeding efforts to enhance interagency collaboration.

Attempts to bridge perceived distance between the two agencies have remained politically salient across presidential administrations. Under the Obama Administration, the US Quadrennial Development and Diplomacy Review (QDDR) aimed to bring development and diplomacy closer together through strategic review and planning.⁴ The initiative faced criticism from some policy analysts for weak implementation and eventually stalled, with the only two reviews taking place in 2010 and 2015 despite initial plans for regular reporting every four years.⁵ Later, the Trump administration explored a merger of the State Department and USAID, but it was not enacted.⁶ Debate continues in Washington on how to optimize the relationship between military, development and diplomacy work in light of growing attention to the security dimensions of development, most recently reflected by the Biden administration’s 2021 elevation of the head of USAID, Samantha Power, to the National Security Council.⁷

As the US works to improve the effectiveness of its development and diplomatic agendas in the years to come, how might it learn from the global trend in the formation of global affairs mega-bureaucracies? Although the available literature on the impacts of these mergers and integrations is limited, studies indicate that the political context in which mergers unfold may indicate some predictive differences in their effects. There is a common need across countries for greater coordination, reduced duplication, and increased knowledge sharing

among global affairs bureaucrats, despite differing views on how connected their agendas should be in practice. Increased data collection through agency-wide monitoring and learning initiatives can help to better document and address how bureaucratic designs impact development and diplomacy goals and outcomes. While no country offers a perfect blueprint for reform, and each country context is unique, global experiences do offer valuable lessons which can inform US debates about institutional design.

This paper argues that mergers often fail to bear the fruit politicians promise. Learning what works, and what doesn't, from attempts to integrate development and diplomacy in other countries is critical for a more informed approach to development and diplomacy in the US, where the relationship between the State Department and USAID continues to evolve. This paper begins with a discussion of the shifting relationship between the State Department and USAID over time to set the context for contemporary discussions on reform. It next reviews integrations of development and diplomatic agencies as they occurred in six countries, focusing first on the motivations behind mergers, and then exploring the impacts of these mergers, finding that mergers do not clearly result in cost savings or efficiency and are instead linked to reduced aid effectiveness. Next, the paper applies this learning to the US, offering preliminary insights on how lessons from these cases can improve coordination and coherence between USAID and the State Department. The paper concludes that US policymakers should learn from other countries and avoid the blunt choice of bureaucratic merger, focusing instead on investing in specific programs and scaling up policy initiatives that can improve cross-bureaucratic collaboration.

Mergers and Integration in Context

As recent bureaucratic reforms to the agencies responsible for development and diplomacy in Australia, Canada, Denmark, New Zealand, Norway and the United Kingdom have been implemented, scholarship has simultaneously expanded to explore the connections between development and diplomacy. This has informed and reflected, but not resolved, political debates within donor countries. Studies informing these debates range from those identifying the role of development assistance as a form of public diplomacy or soft power,⁸ to explorations of the role of strategic (or “targeted”) foreign aid as a form of foreign policy.⁹

For political economist Sarah Bermeo, rising globalization has enhanced wealthy countries' self-interests in efforts to promote economic development in developing countries, further driving a sense of connection between the two sectors. To some, increasingly complex and protracted conflicts around the

world—such as in Iraq, Afghanistan and Syria—and their ripple effects have only demonstrated the interconnections of development, diplomacy and security, as well as the failures that can emerge when humanitarian and development goals aren't adequately prioritized and addressed by government leaders and foreign affairs agencies operating in these complex environments. Policymakers, NGOs and other actors increasingly acknowledge that efforts to enhance development and peace and security must not only support one another, but must view their agendas as fundamentally connected.¹⁰

While the intersections of development and diplomacy are clear, debates persist about the merits of blending these efforts in practice. Scholars and practitioners

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who are critical of integrated approaches argue that mergers dilute the development sector's unique value-add and integrity as a distinct—and at times necessarily independent—effort in global affairs.¹¹ They warn that mergers risk subordinating development work to political objectives, can deflate the impacts of overly broad policies and programs, and can lead to bureaucratic brain drains.¹² At the same time, efforts to bring development expertise into political decision-making and to “think and work politically” in the realm of

development have expanded.¹³ These changes coincide with the rise of “nexus” approaches to humanitarian, development and peace-promoting activities, indicating growing recognition of the necessary interconnections between sectors.¹⁴

The Shifting Historical USAID-State Relationship

In the United States, the delivery of aid and foreign policy spans some fifteen agencies, with the primary remit falling within and across USAID and the State Department. A history of shifting relationships between these two agencies has shaped US efforts to address an array of contemporary global challenges, the dynamics of which today shape debates about further coordination between the agencies. This section briefly reviews this history.

USAID today functions as a semi-independent agency under the direction of the president, the State Department, and the National Security Council. US development spending is also spread to the Department of Defense, which is responsible for military aid, security assistance, and even “civil affairs” efforts involved in stabilization and civilian support operations. The State Department's Foreign Assistance (“F”) Bureau serves as a “coordination” body, aiming to provide “strategic direction” for related work at State and at USAID. Brookings

researcher George Ingram has argued that this arrangement is problematic because it can lead to State “interfering” with USAID’s control of its budget and programs, rather than leveraging its potential value add as a coordinating body.¹⁵ While USAID and State have many interagency channels through which to work jointly, shaped by four-year “Joint Strategic Planning,” their working cultures and implementation activities remain relatively independent. Other agencies, such as the Department of Health and Human Services and the Treasury Department, in turn play some roles in global development, contributing for example to the President’s Emergency Plan for AIDS (PEPFAR) and funding for global financial institutions.

As analyst Curt Tarnoff argues in a Congressional Research Service Report, every recent US president has left a mark on the relationship between USAID and the State Department in at least some way, leading to constant shifts in their institutional relationship.¹⁶ USAID was first formed under the Foreign Assistance Act of 1961 under President Kennedy, bringing together several existing US foreign assistance programs which had developed in the post-World War II era. Although USAID’s initial mandate was “under the direction of the President and Secretary of State,” it functioned with considerable operational autonomy. The agency evolved by the 1970s from one primarily focused on economic assistance to focusing more broadly on “basic human needs” covering a wide range of social and governance activities alongside economic assistance.¹⁷ In 1998, President Clinton absorbed the growing agency into the State Department along with the US Information Agency and Arms Control and Disarmament Agency, maintaining USAID as a separate statutory agency, but with its Administrator reporting to and under authority of the Secretary of State.

The relationship between USAID and State continued to evolve after 9/11 and with the expansion of globalization and proliferation of technology. Under President George W. Bush and with bipartisan support, Congress approved the creation of two new large foreign assistance programs in 2003 and 2004: PEPFAR and the Millennium Challenge Corporation. The enactment of two independent agencies to implement specific foreign assistance challenges essentially bypassed USAID, arguably weakening its position. In 2006, President Bush also created the Director of Foreign Assistance role at State, aiming to “increase coordination and integration of foreign aid programs into the foreign policy process,” which relinquished budget and policy functions from USAID to State. For the first time USAID chaired the International Development Policy Coordination Committee and became more enmeshed in foreign policy and national security conflicts.

The Obama administration attempted in some ways to strengthen USAID’s position vis-a-vis State. During this time, the administration boosted hiring at USAID and advocated for greater empowerment and autonomy of the agency.

It also aimed to elevate development priorities alongside foreign policy ones through the Quadrennial Diplomacy and Development Review (QDDR), an activity mirroring a similar strategic review process in the defense sector. The initiative aimed, according to then-Secretary of State Hillary Clinton, to “recommend how to better equip, fund, train, and organize ourselves to meet current diplomatic and development priorities.”¹⁸ Officials initially announced the exercise in 2010, with the ambition for it to take place every four years. Although it was subsequently conducted in 2015, so far there has not been a third review, reflecting the stagnation of efforts to coordinate development and diplomacy in the United States.

President Biden’s administration has not enacted major changes to transform the relationships between the agencies, but elevated USAID Administrator Samantha Power to a seat on the US National Security Council. Policy analysts such as George Ingram argued at the time that the decision would likely elevate USAID’s respect and position within the wider US foreign policy making process, while noting that USAID would face hurdles expanding its preparedness outside of traditional development-centric issues.¹⁹ It is true that this decision will likely elevate development’s standing on questions of national security, but the specific impact and potential persisting challenges for bringing development perspectives to foreign policy and security decisions within the NSC with this new approach remain to be seen.

Why Merge?

Outside the US, major donor countries are increasingly turning to bureaucratic mergers as a potential avenue for better connecting foreign and development policy. This section reviews some of the motivations behind these reforms.

Mergers often seek a potential avenue for better connecting foreign and development policy

While mergers and integrations have differed significantly in their specific structures and contexts, all have followed claims that such changes will bring greater coherence and efficiency in modern-day approaches to global affairs, despite limitations in the evidence on the effectiveness of such mergers in practice. Proponents of these restructures have claimed that such changes can help governments enact more efficient and effective

policies to address today’s interconnected global challenges. An argument in favor of mergers is that by centering government actors within a single bureaucracy who are already working with in-country field offices on connected policy

areas, such as those focused on improving food security and those responding to political conflict in the same context, fewer transaction costs will arise and actions abroad will be more streamlined and effective.

Mergers are often justified by arguments that restructures will deliver twin benefits of cost savings and improved effectiveness. In some cases, such as in Australia and the UK, these changes have been the result of new governments taking power.²⁰ These reforms also often respond to longstanding debate about accountability for perceived costly foreign entanglements and the need to enhance the effectiveness of global affairs policy in the face of complex wars and crises.

A Wave of Bureaucratic Reforms

In the late 1990s, Denmark's government absorbed its Ministry for Development Cooperation into its foreign ministry, with aspirations for helping the country's development arm ("Danida") to gain profile as core to Danish foreign policy. In 2004, Norway centralized the power of its foreign policy ministry by folding its Agency for Development Cooperation (NORAD) into the Ministry for Foreign Affairs, leaving NORAD functionally intact in some ways (although one NGO official described its "wings [were] clipped" in an interview).²¹ Norway's reforms reportedly aimed to elevate the power of its development minister, while also aligning with the Foreign Affairs Ministry's desire to leverage NORAD's strong reputation as a global leader. The move was buoyed by a public-sector modernization strategy and the country's growing leadership around issues of global poverty eradication.²²

Australia, New Zealand and Canada later moved to consider reforms in the period between 2009 and 2013. New Zealand's merger in 2009 kept intact the country's aid program within the Ministry of Foreign Affairs and Trade (MFAT).²³ Australia merged its independent aid agency into its foreign affairs agency following an election in 2013. Canada's 2013 merger of three function agencies into one bureaucracy, Global Affairs Canada (GAC), similarly aimed to cohere its trade, diplomacy and development aims and activities.²⁴ The United Kingdom's 2020 merger actually re-joined two agencies that had been separated in 1997 to "safeguard the independence of development policy from commercial interests."²⁵ The UK's 2020 reconnection was seen by critics as a "hostile takeover" of the foreign office of the country's prized development arm.²⁶ Other countries, including the United States and Germany, have since signaled interest in exploring similar mergers in recent years.

These recent ministerial reforms have taken different shapes but broadly fall within four main categories: integration, partial integration, separation of policy and implementation, and autonomy.²⁷ Evidence is mixed about the effectiveness of these different bureaucratic arrangements. Part of the issue is that

there is no consensus on how to measure effectiveness. Some studies look at government spending as a metric, and some evidence indicates that independent development agencies spend more (or are “more generous”) on development than merged bodies.²⁸ But the question of how merged approaches impact the *quality* of countries’ foreign policy and development activities remains underexplored. As researcher Nilima Gulrajani argued about the quality of development policy, “[b]oth integrated and independent agencies have the potential to be high performing” in terms of their effectiveness, regardless of structural arrangements. She finds that it is not the structure of bureaucracy itself that determines the quality of resultant activities but rather other factors that can influence success such as whether or not there is cabinet-level political representation for development, as is the case in the UK and Canada, and how closely connected policy and implementation are.²⁹

What are the Impacts of Integrated Global Affairs Bureaucracies?

Visible and Invisible Costs

Evidence indicates that merging diplomacy and development into more functionally integrated approaches may spur initial cost savings, but that these savings could lead to higher costs related to poorer administrative effectiveness and performance, making effective work potentially more costly in the long run. Mergers can also have significant upfront costs—the United Kingdom’s FCDO merger cost an estimated 4.9 million pounds in its first six months³⁰—with the theory that initial spending can lead to long-term cost savings.

Efforts to measure the impacts of mergers on aid effectiveness are imperfect, and there is diversity in what studies measure. Some measure aid spending as a potential of impact, but quantity does not necessarily indicate quality. Gulrajani finds that the top donors (in terms of development assistance spending) tend to

Integrated approaches may be connected to dips in aid spending

institutionally separate development policy-making from operational implementation. This signals that integrated approaches may be connected to dips in aid spending.³¹

Following its merger, Denmark reduced its aid spending between 2001 and 2004, and reduced its foreign ministry staff by 25 percent.³² This led to a reported overall reduction in administrative costs by the same

figure.³³ The country still maintained its position as the most generous of major donor countries (those within the OECD Development Assistance Committee) at 0.96 percent of GDP, and continues to score highly, although

it has not maintained top rank. Similarly, Norway's integration did not appear to reduce its aid commitments. Norway has remained a top scoring aid donor, providing above the globally agreed 0.7 percent of Gross National Income target for international aid-giving, and increasing ODA commitments by 35 percent between 2005 and 2009, maintaining a clear focus on poverty reduction.³⁴ However, cuts to development spending in particular areas such as human rights and multilateral institutions post-reform in Norway may indicate other shifts that occurred despite overall increased aid spending.³⁵

In Canada, the combined ministry, Global Affairs Canada, boasted reported savings in administrative costs for overseas development aid in 2020 (from 5.2 percent to 4.6 percent), but this has not correlated to measures of related improvements in effectiveness.³⁶ Australia's 2013 merger led to a near 10 percent reported increase in "departmental efficiency" measures in 2014/15 and, according to researcher Richard Moore, they have "stayed high since."³⁷ However, Australia's development spending has fallen by 27 percent since the merger, putting the country below the average for OECD countries as a result.³⁸ Evidence thus remains tepid as to how much savings are achieved by mergers, and how these, in turn, translate to policy effectiveness and impact.

Whither Expertise?

Studies suggest that a potential impact of bureaucratic restructuring is on the location of expertise within government. On one hand, integrated approaches may help embed relevant expertise across areas of bureaucracy, rather than siloing it. On the other hand, the structural demands of integration may require privileging certain forms of expertise over others, muting the potential benefits. In other words, efforts to bring experts closer together to balance questions of aid, diplomacy and their intersections may be diminished by establishing new hierarchies necessary for bureaucratic efficiency.

One study found that integration led to decreases in government aid expertise in Australia.³⁹ Similarly, a study of the impact of the 2013 merger in Canada found that it led to a displacement of development expertise. For Canada, the relocation of personnel from CIDA and DFAIT into the same physical location, the Pearson Building, enabled "a better sense of camaraderie," but also more complexity as certain administrative staff, most notably contract officers, were not fully integrated. A key challenge in the merger has been "perceptions of institutional culture clash" between development professionals and foreign policy professionals.⁴⁰ This suggests potential impacts on morale and working processes which have knock-on effects on the development and execution of policy.

In Norway, a study found that integration led to the increased blending of development and foreign policy work but muted a useful "check" on policy whereby

development experts could not as clearly offer countervailing perspectives on prioritization, trade-offs and other debates from that of diplomatic experts once bureaucrats were embedded on the same teams and lacked the functional separation which previously organized them.⁴¹ In Norway's case, the aid budget has since expanded, elevating a number of aid priorities, but also covering rising administrative costs around which the development agency has less control. At the same time, the integration led to "frequent shifts in work tasks and every time employees are redeployed, expertise is lost," creating a "need for a more systematic perspective on knowledge management" in the Ministry of Foreign Affairs.⁴²

Australia's 2013 merger led to a reported development "brain drain" among staffing reductions—cuts in the aid program support budget led to the elimination of some 500 positions.⁴³ Of 16 Senior Executive Officers that departed post-merger, 13 were former AusAID.⁴⁴ As one review put it, "[t]he disappearance of up to 2000 years of development experience—and in particular the loss of long serving senior Locally Engaged Staff—is starting to show at all levels—program quality and management; reputation with partners; and ability to lead and influence others."⁴⁵ It also led to the decentralization of aid governance into country missions, with a growing reliance on external contractors for project management. Researcher Jonathan Pryke argues that the merger helped "plug a diplomatic deficit" as staff from the aid sector helped inform wider foreign policy actions in the Pacific region as a result of integration.⁴⁶ He argues that this has come, however, at the expense of lost expertise, effectiveness and time, as development expertise was ultimately "not prioritised under the generalist DFAT structure."⁴⁷ This indicates that benefits may come from bringing development expertise closer to foreign policy decisions, but only if these are effectively prioritized and elevated in the new bureaucracy.

Coherence and Incoherence

Politicians calling for integrated approaches often claim that mergers can help alleviate incoherence where challenges stem from interagency competition and diverging policy priorities.⁴⁸ But evidence indicates that mergers rarely deliver. Policy incoherence across trade, development, military and foreign policy efforts can be a significant roadblock to effective global progress. Trade and diplomatic activities can sometimes undercut efforts to promote agricultural development in the Global South, undermining a country's wider goals in a region. For example, US subsidies to rice farmers that boosted rice trade exports to Haiti have arguably undermined US aid programs to support Haiti's agricultural sector.⁴⁹

Conflicting EU development, diplomatic and trade policies have similarly been incoherent, at times supporting and at times undermining agriculture in Africa.⁵⁰ Oxfam researcher Marc Cohen observes that this "global policy

incoherence severely undermines this apparent political will to end hunger and boost developing-country agriculture.”⁵¹

In Norway, a move toward centralization of foreign policy and aid bureaucracies arguably helped increase policy coherence by streamlining policy priorities around a view of aid as a form of effective soft power, enabling Norway to further its interests in NATO and the Arctic, its trade goals in Africa, and secure status in the multilateral system.⁵²

However, integration is not necessarily a panacea for coherence. In Canada, a failure to prioritize countries and sectors has been identified as a key issue in its global affairs policy coherence.⁵³ The creation of the new merged Global Affairs Canada agency did not cure this. For example, the government’s Feminist International Assistance Policy and stated commitment to a so-called “feminist foreign policy” aimed to mainstream approaches to gender equality across Canada’s global engagements. But critics argue that commitments under the feminist approach did not effectively situate responsibility for the implementation, nor did they provide adequate clarity on how Canada should implement feminist principles across trade, diplomatic and development activities (failing as a result to adequately connect its commitment to support women’s rights with wider arms trade policies in Saudi Arabia and other countries,⁵⁴ and inadequately implementing commitments to support locally-led women’s groups across different functional areas of the bureaucracy).⁵⁵

One study found that it is not necessarily a merged or separate approach to aid and diplomacy drives policy coherence, but rather the degree of “independence” of bureaucrats from the country’s executive branch that impacts bureaucratic outcomes. When there is a highly dependent relationship with the executive, aid flows tend to be more directed toward the political and diplomatic objectives of a country’s leadership. This can risk funding becoming politicized but can help aid agendas to be more focused. By contrast, when bureaucrats are more independent, aid flows tend to be less politically motivated and “more responsive to recipient need,”⁵⁶ which hews to development principles of localization,⁵⁷ but may cause spending to become unfocused. Thus questions of the bureaucracy’s relationship to the executive may be more important than those about the relationships between different bureaucracies.

The bureaucracy’s relationship to the executive may be more important

Exposure and Appreciation

A study of Canada’s 2013 merger found that the reform led to internal clashes within the new Global Affairs Canada bureaucracy, as it challenged the elite

status of the country's foreign service professionals.⁵⁸ At the same time, the new integrated structure may be supporting greater exposure, and in turn heightened appreciation for different types of bureaucrats' work that was once perceived as less elite or important, thus expanding institutional understanding. For example, Canada's merger enabled former CIDA and DFAIT staff to sit in close proximity to one another for the first time, which some staff felt was "better for a sense of camaraderie and interaction."⁵⁹

In a study of Canadian bureaucratic culture, researchers Jamey Essex, Lauren Stokes and Ilkin Yusibov summarized the view of one foreign service officer that development colleagues lack appreciation for the "necessary skills, training, and judgment—the creativity and virtuosity that must be cultivated over time and through experiences in multiple postings and positions—that accompanies the exercise of statecraft through the foreign service."⁶⁰ An argument in favor of integration is that it may help expose colleagues to one another and enable various skillsets to be seen and appreciated. The degree to which such an ability to "feel seen" offers strategic advantages in terms of policy outcomes remains unclear.

Are There Really Lessons Learned?

In all the available studies, there is limited data to fully monitor and evaluate the impact of merged approaches. Their political motivations remain speculative. As researcher Richard Moore argues in the case of Australia, "[t]he department [DFAT] needs better ways of tracking its investment in development capacity so that it can get the resourcing right – and so that it can measure its own efficiency and effectiveness."⁶¹ Further data gathering specifically on effectiveness, efficiency, coherence and other political objectives are needed to evaluate whether the purported benefits of mergers are simply speculative political rhetoric or are actually based on evidence.

US Global Affairs Bureaucracy Today

How might the US learn from this global trend? An initial effort should consider the lessons other countries can offer regarding the potential to improve outcomes in both sectors, including in the areas where they most closely connect. The trend toward merged approaches in other countries offers the US useful cases from which to draw lessons.

It is important to note that although integration is growing in popularity, it is neither widely successful nor inevitable. Emerging donor countries such as Qatar, Thailand and Turkey have generally turned toward separate implementing agencies. And attempts to merge are not always one-directional (for example,

the United Kingdom has gone back and forth). Questions of institutional design are ultimately less important than the more fundamental issues of prioritizing policy, expanding knowledge and expertise, and improving coordination and knowledge sharing among bureaucrats.

Among areas of inquiry, policymakers should consider: where is global expertise located within bureaucracy, and is this expertise appropriately distributed across the bureaucracy? How robust have efforts to support interagency collaboration been, and what have been the challenges? How much do the respective agencies know about one another's efforts, and how do their efforts in similar geographic and technical areas both overlap and differ? How much knowledge sharing and alignment between policies and implementation does (and should) take place, and how might this be effectively expanded both among leadership and across all working levels?

Ongoing Efforts

Harmonizing global affairs policy agendas across relevant US agencies can be, and has been, most effective when multiple policy incentives align. The most successful stories have been thanks to political leadership driving a clear and aligned policy vision rather than a function of bureaucratic design *per se*.

Policy experts I interviewed pointed to, among other examples, the Power Africa initiative under the Obama Administration as a project during which the two agencies most effectively collaborated under a common set of goals and policy priorities.⁶²

This agenda, aiming to expand access to electricity and telecommunications in Sub-Saharan Africa, had a “perfect mix” of factors which helped buoy and crystallize connected focus across US agencies. Geopolitical factors—namely, the rise of Chinese investments in African infrastructure as a challenge to US global influence, alongside economic, developmental and humanitarian goals—came together to help push forward a strong connected interagency effort to support energy infrastructure projects in Africa. This helped drive effective buy-in across USAID, the State Department, and other agencies. Leadership in both agencies clearly prioritized coordinated actions, fostering strong collaborative rapport. These issues also aligned well with the wider momentum of the international community's Sustainable Development Goals, which helped pull in greater domestic and international buy-in and supportive financing. As one former USAID official told me, on the issue of energy infrastructure in Africa, bureaucratic effort to align the work of USAID and State

The most successful stories have been thanks to political leadership rather than bureaucratic design

alongside that of other players such as OPEC and the Treasury drove a “remarkable” degree of coherence across agencies.⁶³ But it was the issue itself, and proactive and coordinated leadership rather than bureaucratic structure driving that change.

Another relevant US policy example is the 2019 US Global Fragility Act (GFA), which aims to bring together USAID and the US Departments of State and Defense to coordinate development and foreign policy aims. The GFA aims to take a longer-term approach to addressing fragility through prevention and crisis response, with billions of funds attached. It called for robust inter-agency coordination, created a senior-level steering committee for oversight and a working-level secretariat managed by the State Department, but still requires refinement in terms of deepening collaboration across agencies.⁶⁴

US Secretary of State Anthony Blinken’s new Modernizing Diplomacy Initiative aims to enhance the use of data and technology to boost the relevance and impact of diplomacy. The State Department’s Center for Analytics is working to expand the use of data and technological tools within the department, including through cutting-edge uses of AI and forecasting methods, and its Innovation Roundtables aim to help expand technological development. Similarly, USAID’s efforts to promote improved programming, for example through the USAID Development Innovation Ventures program, are also following suit to enhance the use of data, evidence and technology to ultimately improve development outcomes. But the two agencies and their data and innovation agendas remain relatively disconnected in these initiatives, blunting the potential for knowledge sharing on related work on technology and innovation.

USAID and the State Department have also launched separate “learning agendas.” While their agendas share elements and are loosely based on joint strategic plans, they are not built on formal channels for cross-pollination of learning. Identified priority areas for related learning at State remain broad and overlap with learning agenda questions at USAID (both agendas, for example, look at connected questions of foreign assistance and economic growth, diversity and inclusion, and democratic governance).⁶⁵ Detail remains unclear about how specifically the two agendas will connect in their execution and impacts.

But Gaps Remain

A common refrain among experts I interviewed is that cultural differences between USAID and State often impede a necessary appreciation for their comparative advantages. The State Department tends to prize policy acumen and generalist rotations among its field offices, with the aim to build global knowledge of multiple settings that Foreign Service Officers can flexibly cultivate and deploy over time, while USAID tends to prioritize specialized and long-term in-country

experience and language skills, aiming to build longer term knowledge and partnerships. Both agencies value multiple forms of expertise. Personnel with similar backgrounds can sometimes be suitable for both departments—for example, rotating science and technology fellows who are variously placed between the agencies. USAID and the State Department’s collaboration on core agendas provides vital recognition of the interplay of development, security and diplomacy, but more can be done to leverage the potential for operational collaboration.

Lessons from International Mergers for the US

Can the United States learn from the global trend toward merging bureaucracies? How might it better leverage the comparative and collective strengths of the two departments in the face of changing geopolitics shaped by competition with China, violence in Ukraine, the climate crisis, and protracted conflicts around the world?

Experiences from other countries indicate that efforts to improve connectivity across development and diplomacy bureaucracy through blunt bureaucratic reforms often fall short. A former USAID official I spoke with underlined how efforts to merge development and diplomacy bureaucracies abroad are often an idealized, hypothetical goal that falls short in execution.⁶⁶ Referencing experiences in the UK and Australia, they argued that mergers are more often political maneuvers reflecting efforts to consolidate power rather than true institutional innovation. No country offers a perfect model. Deeper questions of policy coherence, and in turn effective implementation, must play a primary role in reform efforts, rather than having these issues subsumed by questions of bureaucratic power.

In the United States, despite decades of reforms shifting the relationships between USAID and State, limited resources have been invested to fully enable the two to learn from one another. Particularly since 9/11, both major US political parties have variously recognized the importance of development for addressing national security concerns, but the stunting of the QDDR initiative since 2015 is just one indication that exactly *how* to better integrate development into US diplomacy remains unresolved. Deeper efforts are needed.

Policymakers I spoke to suggested that joint strategic reviews and planning agendas tend to suffer from political constraints rather than growing into fully leveraged opportunities for improved interagency work. As academic Sarah Bermeo has argued, “bureaucratic inertia” is a clear concern when aiming to change bureaucracy, and “bureaucracies are prone to lag behind the changing intentions of their principals.”⁶⁷ Bureaucratic mergers alone have not solved coordination challenges despite leaders’ stated intentions. Full integration

carries risks, even if there is clearly a need for the United States to address at times incoherent or uncoordinated approaches.

The better alternative to melding bureaucracy is an issue-focused approach. Lessons should be drawn from the success of the Power Africa initiative, for example, by seeking to identify specific policy initiatives that may be most ripe to leverage existing cross-bureaucratic expertise and collaborative activity. The

The better alternative to melding bureaucracy is an issue-focused approach

solution lies in effectively identifying issues most promising for collaboration and establishing channels through task forces or other targeted avenues that can bring the advantages of integration without effectively creating new bureaucratic structures that undermine results. Efforts must therefore more directly address the need for greater coherence between agendas and sharing of expertise across agencies as fundamental building blocks for modernized policy agendas, rather than focusing on the smokescreen of big picture bureau-

cratic reform. While integration is a highly visible move that can respond to political appetites for prominent reform, it does not yield the results that more targeted and incremental efforts can bring.

A wealth of global experience can now be brought to bear on future efforts, and this international experience should not be ignored when considering opportunities for US bureaucratic reform. It is critical that any political attempts to reform these US agencies and better connect bureaucracy are shaped based on the growing available evidence from other global contexts on what works and what doesn't. Focusing on specific goals and priorities for improving policy, rather than turning to the temptations of political bluster and bureaucratic smokescreens, is the lesson the United States should take from international attempts.

Notes

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